

1 REMARKS

2 Applicant has carefully considered the positions of the Examiner, and respectfully requests  
3 reconsideration based upon the clear differences between the present invention and the cited  
4 references.

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6 I. THE INVENTION

7 The present invention relates to an improved credit card system. More specifically, the  
8 invention provides a discretely apportioned available credit line that limits transactions that can be made  
9 for particular purposes in a manner custom fit to the cardholder. In an alternative embodiment, the  
10 credit card holder may create sub-accounts for specific purchases, for example, limiting the available  
11 credit to the value of an online or telephone transaction.

12 This may be accomplished by the credit providing institution assembling a list of categories and  
13 potential merchants, then dividing those merchants who subscribe to its credit service within those  
14 particular categories. When a transaction is made with the credit card, authorization will be made with  
15 respect to the particular category or merchant. The credit institution may also create discrete  
16 sub-accounts for particular purchases. This system will allow that in the event the credit limit has been  
17 reached in a particular category or sub-account, either through ordinary charging or through  
18 misappropriation, the card will remain effective for emergency charges (tow trucks, hospitals, etc.) or  
19 charges for essential items like food and prescription drugs.

20 The current systems provide methods to facilitate credit card verification systems and to use  
21 credit card systems in different formats. None of the prior art addresses a credit card solution that

1     apportions credit availability to specific purposes and limits false charges in each discrete billing  
2     category, while simultaneously allowing cardholders control over their own transactions and the  
3     transactions of other authorized card users.

4             In accordance with the present invention, the partitioned credit card system combines the  
5     traditional advantages of credit cards with the advantages of a segregated credit line. For example,  
6     transactions authorized by the system for online commerce would be limited to a preset portion of the  
7     card user's total credit line. The cardholder is given the freedom to shop using a credit system while  
8     knowing that the card will always be functional in an emergency or for essential purchases.

9             Another advantage of this partitioned credit card system is its limitation of unauthorized  
10    transactions in any particular category up to that category's limit. Those who steal card numbers either  
11    during online transmission or through theft of the card itself are limited in their attempt to defraud the  
12    cardholder by preset categories and credit limits. Each category limit will be much lower than the total  
13    credit card limit, thereby greatly reducing the exposure of card users and credit institutions to  
14    unauthorized purchases.

15            Even this limited exposure is eliminated for online and telephone commerce through the use of  
16    sub-accounts, which the user may establish for individual transactions. In this embodiment of the  
17    present invention, the user may create sub-accounts with credit limits equal in amount to the transaction  
18    amount. When the transaction is complete, the sub-account is empty so there can be no unauthorized  
19    purchases.

1 II. THE EXAMINER'S REJECTION OF CLAIMS 1-6

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3 In the June 4, 2003 Office Action, the Examiner rejected claims 1-6 under 35 U.S.C. § 103(a)  
4 as being unpatentable over Fleming United States Patent No. 5,953,710 ("Fleming") in view of Cohen  
5 United States Patent No. 6,422,462 ("Cohen"). The Examiner argued:

6 "Fleming teaches at a credit card system wherein a sub-account or an  
7 apportioned credit line is linked to parents credit account (see abstract, col. 3, lines  
8 5+). Sub-account has a credit limit set by a primary account holder within the limit of  
9 the primary account. Since the apportioned credit line can be linked to one or more  
10 parents account, the credit line for the sub-account is equal among all credit cards  
11 associated with the credit line.

12 Although Fleming provides means to control and monitor sub account's activity  
13 by adjusting credit limit and number of transactions, Fleming fails to specifically teach or  
14 fairly suggest that credit line can be apportioned for specific classes of transactions.

15 Cohen teaches credit/debit cards for issuance by a card holder, the cards being  
16 limited to use in transaction at selected vendors only (see abstract; col. 5, lines 26+;  
17 col. 8, lines 41+).

18 In view of Cohen's teaching, it would have been obvious to an ordinary skill in  
19 the art at the time the invention was made to employ additional means to authorize  
20 transaction based on selected vendors to the teachings of Fleming in order to reduce  
21 questionable transactions by sub-account holders. Although Fleming provides detailed

1 transaction report by sub-account holders, the report simply shows consummated  
2 transactions, not avoiding them. By reducing allowable credit limit or number of  
3 transactions, genuine need for purchases can be unintentionally hampered. Yet, the  
4 undesirable purchases can still occur. Accordingly, one would be motivated to filter at  
5 vendor level as disclosed in Cohen as to who may be the approved merchants are (i.e.,  
6 children is allowed to use the card for tuitions, books, selected entertainment providers,  
7 etc.), and therefore, an obvious expedient. Moreover, since particular vendors are  
8 selected and authorized, the vendor can provide products or services over the Internet  
9 or telephone (Cohen, col. 3, lines 34+)."

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11 III. THE EXAMINER'S REJECTION OF CLAIMS 1-6 SHOULD BE RECONSIDERED

12 Fleming discloses methods and systems which may be used to provide a mechanism for  
13 supervising credit or debit card usage. The disclosed methods and systems include a child's credit card  
14 account linked to a parent's credit or debit card account. The parent may change the child's available  
15 credit without changing the total combined available credit for the child's and the parent's accounts. In  
16 addition, Fleming teaches that an expenditure counter figure associated with the child's account can be  
17 used by the parent to enable the child to make an unlimited number of purchases, a limited number of  
18 purchases, or no purchases. The parent may also make a single payment for both the child's and  
19 parent's credit card accounts. The methods and systems may also be used outside of the parent/child  
20 context whenever supervision is required. For example, they may also be used by a single individual to  
21 provide limited credit card usage in less secure environments (See Abstract).

1           It is clear that Fleming is almost exclusively concerned with the parent/child relationship.  
2           Fleming is essentially silent as to the many alternatives disclosed in the present application. More  
3           importantly, Fleming neither teaches nor suggests the safety feature that is a principal component of  
4           Applicant's invention. As disclosed in amended Claim 1, applicant's system incorporates an important  
5           safety feature unanticipated by Fleming. Specifically, Applicant segregates some portion of the credit  
6           limit for emergency purchases. Thus, even if the credit card is overextended and would be declined for  
7           all other purposes, applicant's system would allow its user to buy gasoline or make a phone call, etc.  
8           Undoubtedly, Fleming would certainly have included this kind of feature if it had occurred to him. What  
9           parent isn't intensely concerned with his or her child's welfare?

10           Cohen does nothing to cure this shortcoming of Fleming. Cohen is concerned with limited use  
11           credit cards, i.e., cards issued, for example, to children or employees which may be used only in certain  
12           pre-approved establishments. The thought process behind this is apparently to minimize credit card  
13           fraud. This sounds like a good idea, but it bears no resemblance to the "emergency" capability of  
14           Applicant's product. A card that lets your daughter buy books at Barnes & Noble doesn't do much  
15           good if she needs to buy gasoline to get home.

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Respectfully submitted,

Dated: December 4, 2003

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